

BAKER DONELSON

100 LIGHT STREET • BALTIMORE, MARYLAND 21202 • 410.685.1120 • bakerdonelson.com

HOWARD L. SOLLINS, SHAREHOLDER
DIRECT DIAL: 410.862.1101
DIRECT FAX: 443.263.7569
E-MAIL ADDRESS: HSOLLINS@BAKERDONELSON.COM

June 8, 2017

VIA HAND DELIVERY AND EMAIL

Kevin McDonald, Chief
Certificate of Need Division
Maryland Health Care Commission
4160 Paterson Avenue
Baltimore, Maryland 21215

Re: Adventist Home Health Services, Inc. – Frederick County
Matter No.: 17-R2-2397
Response to May 24, 2017 Completeness Questions

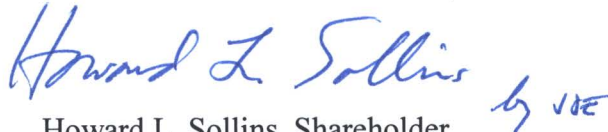
Dear Mr. McDonald:

On behalf of Adventist Home Health Services, Inc. – Frederick County (“AHHS”), we are hereby submitting the required four (4) copies of our responses to the May 24, 2017 completeness questions regarding the above-referenced project. We will also provide Word and electronic copies of our responses and exhibits as appropriate.

I hereby certify that a copy of this response has also been forwarded to the appropriate local health planning agency, as noted below.

If any further information is needed, please let us know.

Sincerely,
BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, PC


Howard L. Sollins, Shareholder

JJE/tjr

Enclosures

cc: Barbara Brookmyer, MD, MPH
Health Officer - Frederick County

Kevin McDonald, Chief
Certificate of Need Division
June 8, 2017
Page 2

cc: William D. Chan, Health Policy Analyst
Maryland Health Care Commission
Ms. Ruby Potter
Health Facilities Coordination Officer
Marta Harding, Esquire
Geoffrey Abraskin
David Pareja
Keith Ballenger, Vice President
Adventist Healthcare Home Care Services
Robert E. Jepson, Vice President/Business Development
Washington Adventist Hospital
Andrew L. Solberg
A.L.S. Healthcare Consultant Services
John J. Eller, Esquire

Adventist Home Health Services, Inc.
Expansion of an Existing Home Health Agency (HHA license # 7048) to Frederick County
Docket Number 17-R2-2397
Responses to Completeness Questions Received on 5/24/17

PART 1 – PROJECT IDENTIFICATION AND GENERAL INFORMATION

Project Budget

1. Please discuss:

- a. What eventuality the \$10,000 in *Contingency Allowance* might anticipate and provide a cushion against in an application of this nature; and**

The \$10,000 contingency was included to address unanticipated costs, such as the cost of computer and other equipment to tie this service area into AHH, staff transportation, and potential additional start-up costs for marketing or education, any or all of which may be capitalized.

- b. The apparently high (\$65,000) cost of CON preparation.**

The amounts in the Project Budget for CON assistance (Legal: \$40,000 and Consultant: \$25,000) include the entire CON process, not simply preparation of the CON application. They are sized large enough to accommodate potential additional events that can increase costs of this kind, such as the entry of an interested party (including other applicants) or participating entity in opposition to the project requiring a response to comments, a decision by a reviewer to seek additional information, and a potential need to participate in a project status conference should one be held. The budgeted amount represents a worst-case scenario. Expenses for CON assistance for this project are currently less than half of the budgeted amount.

PART II – CONSISTENCY WITH REVIEW CRITERIA AT COMAR 10.24.01.08(3)

Fees and Time Payment Plan

- 2. The instructions provided to applicants that detailed MHCC expectations regarding documentation that the review standards are met asked the applicant to “*Provide a description of the time payment plan; provide a copy of the policy; and quote the specific language (as well as a citation to the location within the policy) from the policy which describes the time payment options and mechanisms for clients to arrange for time payment.*” This was not done for 10.24.1608D, and instead staff was referred to AHH’s Charity Care**

Assessment and Medicaid Policy, and was unable to locate any such discussion. So, please:

a. Provide a written description of the time payment plan; and

Current AHH practice is that patients owing any financial balance to AHHS are sent an invoice over three months informing them of the balance. They receive a call after the second letter. They are provided the option on their billing statement to pay their balance by credit card or by monthly payments. AHH provides patients with a time payment plan in which they pay a minimum payment of \$10.00 monthly and give them up to 18 months to pay off their balance.

AHH has revised its Policy (attached as Exhibit 8) to make it consistent with current practice.

b. Quote the specific language (as well as cite the location within the policy) from the policy which describes the time payment options and mechanisms for clients to arrange for time payment.” Alternatively, you could submit a copy of the policy with the relevant passage(s) highlighted or otherwise flagged.

The highlighted policy is attached as Exhibit 8. The mechanisms for clients to arrange for time payment include: (1) the description in answer to 2a above, taken from page 1 of the Policy; (2) point #7 of the Policy on page 2, under Eligibility Determination Process, which also appears in the Charity Financial Hardship Application Form on page 3, which states: “If the patient is deemed not eligible for Medicaid or charity care because their household income exceeds the charity care threshold, they likely will be eligible for a sliding scale fee or a payment schedule.”; and (3) the sliding scale for payments on page 7 of the Policy.

Charity Care and Sliding Fee Scale

3. Table 4 on p. 12 of the application showed that AHH – while exceeding the statewide average percentage of charity care provided overall – only provided charity care to residents in two of the seven jurisdictions in 2014. Is there an explanation for that phenomenon (other than the relatively low volumes provided in some of those jurisdictions)?

AHH accepts charity requests in all of the jurisdictions it serves. Currently, most of AHH’s patients come predominantly from three Maryland counties: Montgomery, Prince Georges, and Charles Counties. AHH policy does not deny any eligible charity requests in any counties. AHH publishes availability of charity care in newspapers serving all the counties in which AHH provides services.

4. The instructions provided to applicants that detailed MHCC expectations regarding the review standards documenting the applicant's provisions for charity care asked applicants to 1) provide a copy of the policy; 2) to quote the specific language; and 3) provide a citation to the location within the policy that addresses the specific provision identified in the standard. Alternatively, an applicant could submit a copy of the policy with the relevant passage(s) highlighted or otherwise flagged. Please do this for:
- a. **10.24.16.08E.(1)** Adventist Home Health Finance Policy Charity Care Assessment And Medicaid Determination Policy, Section "Policy" paragraph 2: "AHH will make a determination of probable eligibility for medical assistance, charity care, and reduced fees and communicate that determination to the patient within two business days of the submission of an application for charity care, medical assistance or both."
 - b. **10.24.16.08E.(3)** Please see answer 2a and 2b above.

Financial Feasibility

5. Please discuss what type of outreach or networks AHH will develop to support your expectation that AHH will receive around 515 home care admissions to your proposed program?

AHH has already deployed Community Liaison staff to meet with Case Managers at Frederick Memorial Hospital and several nursing homes and assisted living facilities in Frederick County, informing them that AHH has submitted a CON application and providing information about the services AHH can provide for their patients upon approval of the CON. In addition, visits have occurred with several physicians affiliated with AHH's sister organization, Shady Grove Medical Center who have offices in Frederick County. In addition to Frederick Memorial Hospital, outreach has also occurred with Glade Valley Nursing Home, Citizens Care and Rehab Center, Golden Living, Orthopaedic Physicians' Group, John Hopkins' Internal Medical Group, Dr. Jeanne O'Brien's office, Dr. Jason Bromer's office, and Dr. Dwayne Chen's office.

AHH will continue to meet with case managers, discharge planners, Assisted Living staff and will hold a "kick-off" event upon approval of the CON. Facilities and organizations target for outreach include:

Local Office on Aging

Frederick County Department of Aging

Hospitals

Frederick Memorial Hospital

Nursing Homes

Ballenger Creek Center
Buckingham's Choice
Citizens Care and Rehabilitation Center Of Frederick
Frederick Health & Rehabilitation Center
Glade Valley Center
Homewood at Crumland Farms
Northampton Manor Nursing and Rehabilitation Center
St Joseph's Ministries
Vindobona Nursing and Rehabilitation Center

Assisted Living

Bethany Living II
Blossom Place at Edenton
Country Meadows of Frederick
Cozy Care
Devotion Assisted Living
Fiddler's Green at Edenton
Garden House at Edenton
Heartfields at Frederick
Homewood at Crumland Farms
Integrace Buckingham's Choice
Life in the Country
Montevue Assisted Living
Odyssey Assisted Living at Montevue,
Orchard Terrace at Edenton
Record Street Home - Home for the Aged
Somerford House - Frederick
Somerford Place - Frederick
Sunrise of Frederick
Sunset Ridge Assisted Living, Inc.
Tranquillity at Fredericktowne
Warm Heart Family Assistance Living

Medical Day Care

Daybreak Adult Day Services
Frederick Medical Day Care

AHH will combine personal outreach with educational material for these facilities and their patients about the services that AHH provides. In addition to the organizations listed above, approximately 100 physicians with privileges at Shady Grove Medical Center have offices in Frederick County.

Linkages with Other Service Providers

- 6. MHCC’s “linkages” standard requires a Maryland home health agency that is already licensed and operating to not only “provide documentation of these linkages in its existing service area” (which AHH did), but also to “document its work in forming such linkages before beginning operation in each new jurisdiction it is authorized to serve.” Please discuss AHH’s progress in developing such linkages with other service providers in Frederick County.**

Please see the response to Question 5, which is hereby incorporated in its entirety into this response. As stated previously, AHH has already begun outreach to facilities in Frederick County as well as physicians with offices in Frederick County who are affiliated with Shady Grove Medical Center. As noted, AHH will continue to visit and connect with facilities and physicians in Frederick County.

Viability of Proposal

- 7. Provide a complete description of all assumptions that “fed” the utilization and revenue and expense tables, and the rationale behind those assumptions.**

In a 5/30/17 phone call from AHH’s consultant, Andrew Solberg, to William Chan, Health Policy Analyst at the MHCC, Mr. Solberg and Mr. Chan reviewed the first page of Exhibit 1 to the CON application (“Financial Assumptions used for Frederick CON Application”). Mr. Chan stated that the statement of assumptions in the application is adequate.

- 8. Is the list of charges in Exhibit 5 for Frederick County only, or will these charges be the same for services throughout Maryland?**

The charges will be the same for services throughout Maryland.

Table 2A

- 9. Please explain the 2.5% decrease in the number of clients and visits by discipline from 2016 through 2017, and the significant 15.2% increase between 2017 through 2018. Is this data for CY or FY?**

The 2017 Budget was completed in October 2016 based on admission numbers through July. Patient admissions substantially increased from September through December 2016. Therefore, admissions for 2016 were over what was budgeted in 2017. A total of 7,908 admissions were completed in 2016, but 2017 budget had 7,800 admissions budgeted. Because of increased need to lower hospital readmissions, Adventist Home Health continues to see increased growth. At present, the agency is on pace to complete 8,095 admissions in 2017.

Exhibits

8. Revised Charity Care Assessment and Medicaid Determination Policy
9. Affirmations

Exhibit 8
Revised Charity Care Assessment and Medicaid Determination Policy

ADVENTIST HOME HEALTH FINANCE POLICY

Effective Date: 2/92

Comments:

Reviewed:

Revised: 2/00, 5/01, 2/02, 9/02, 10/02, 5/04, 5/06, 6/10, 8/10, 6/11, 6/15, 4/17, 6/17

Policy No: 3.1040

Section:

Approval:

CHARITY CARE ASSESSMENT AND MEDICAID DETERMINATION POLICY

PURPOSE

To provide a systematic and equitable mechanism and to define guidelines for accepting charity patients who do not have medical insurance or the ability to pay.

POLICY

It is the intention of Adventist Home Health (AHH) to make available to all patients (or their guarantors) regardless of race, creed, gender, age, sexual orientation, national origin or financial status who are uninsured, underinsured, have experienced a catastrophic event and lack adequate resources to pay for services have the highest quality of medical care possible within the resources available. If there is no medical insurance for reimbursement, the patient (or the patient's guarantor) is responsible for payment. However, cases arise whereby the patient or guarantor does not have the ability to pay AHH for services rendered and may apply for charity care, a sliding fee scale or time payments.

AHH will make a determination of probable eligibility for medical assistance, charity care, and reduced fees and communicate that determination to the patient within two business days of the submission of an application for charity care, medical assistance or both.

Patients who are not eligible for insurance, Medicaid, or Charity are expected to pay for AHH services. Current AHH practice is that patients owing any financial balance to AHHS are sent an invoice monthly for three months informing them of the balance. They receive a call after the second letter. They are provided the option on their billing statement to pay their balance by credit card or by monthly payments. AHH provides patients with a time payment plan in which they pay a minimum payment of as little as \$10.00 monthly and allow up to 18 months to pay off the balance.

Printed public notification regarding the AHH charity care and sliding fee scale policies will be made annually in newspapers in AHH service areas. The notification will also be posted in the AHH business offices and website.

AHH will supply the patient and the patient's family with the AHH charity care policy and review the arrangements for payment and/or the provision of charity care for services.

Eligibility Determination Process

1. The patient's charity eligibility must be determined by AHH, not by the patient or referral source. A patient's signed declaration of his inability to pay his medical bills cannot be considered proof of indigence.
2. If the patient already filed for Community Medicaid while in an AHC hospital and has completed the charity care process, AHH will accept the patient as Medicaid pending. The Reimbursement Department will track the patient's progress in obtaining Medicaid. No AHH charity form will be required.

FINANCE POLICY

Charity Care Assessment and Medicaid Determination Policy

2

3. AHH will take into account a patient's total resources which can include, but are not limited to, an analysis of disposable income and current expenses. AHH must determine that no source other than the patient would be legally responsible for the patient's medical bill (guarantor).
4. Charity Care will be provided according to the Federal Poverty Guidelines as described in this policy (see attached).
5. If a patient does not qualify for Charity Care under the Federal Poverty Guidelines, but has extraordinary expenses, such as high medical bills, Charity Care may be approved. Director of Finance must approve Charity Care in these cases.
6. If the patient qualifies for Medicaid, but has not completed all documentation, the patient will be deemed provisionally eligible for charity and the Social Worker will track and follow up with the patient. The progress of the Medicaid application will be communicated to the Reimbursement Department. The Reimbursement Department will research assets through AHC financial services. If it is found that the patient has assets, the Reimbursement Department will proceed with billing for services pended.
7. If the patient is deemed not eligible for Medicaid or charity care because their household income exceeds the charity care threshold, they likely will be eligible for a sliding scale fee or a payment schedule.



CHARITY FINANCIAL HARDSHIP APPLICATION

I have requested Charity Care for services I will receive or have received from Adventist Home Health. I understand that if I do not fill this form out truthfully, this request will automatically be denied. If my request for Charity Care is approved based on incorrect information, I will be responsible for paying for all services provided by Adventist Home Health.

Please describe why charity services should be granted. (to be completed by Medical Social Worker)

Patient Name: _____ DOB: _____ SS# _____
Spouse Name: _____ DOB: _____ SS# _____

MONTHLY INCOME

Monthly Household Income:	Gross	\$ _____	Net	\$ _____
Other Monthly Income:	Gross	\$ _____	Net	\$ _____
Total Monthly Income:	Gross	\$ _____	Net	\$ _____

MONTHLY EXPENSES

Rent/Mortgage:	_____	Cable:	_____
Other Medical Expenses:	_____	Furniture/Appliance Payment:	_____
Medical Insurance:	_____	Clothing Expenses:	_____
Life Insurance:	_____	Educational Expenses:	_____
Car Payment:	_____	Charitable Donations (church, etc):	_____
Car Insurance:	_____	Subscriptions/Magazines:	_____
Groceries:	_____	Other Expenses:	_____
Utilities:	_____	Telephone:	_____
Other Assets:	_____		

Credit Card 1 Name	_____	Balance	_____	Number	_____
Credit Card 2 Name	_____	Balance	_____	Number	_____
Credit Card 3 Name	_____	Balance	_____	Number	_____

(Please use the back of this form if you need additional space to list other expenses)

Total Monthly Expenses: \$

Please attach W2s, tax returns, and returns, recent pay stubs, and/or bank statements, etc.
If you have additional information that may be helpful in our decision, please attach to this form.

Recommendation: _____

MSW Signature: _____ Date: _____

CHARITY CARE AGREEMENT

Patient Name _____

Discharge Date _____

Adventist Home Health (AHH) to make available to all patients (or their guarantors) regardless of race, creed, gender, age, sexual orientation, national origin or financial status who are uninsured, underinsured, have experienced a catastrophic event and lack adequate resources to pay for services have the highest quality of medical care possible within the resources available. If there is no medical insurance for reimbursement, the patient (or the patient's guarantor) is responsible for payment. However, cases arise whereby the patient or guarantor does not have the ability to pay AHH for services rendered and may apply for charity care, a sliding fee scale or time payments.

The funding for uncompensated care is limited.

Our short-term goal is to provide services to educate you about your health care needs and how best for you to manage those needs in a home setting. If you are unable to manage your treatment plan alone, you will be required to authorize someone to do this on your behalf.

Patient Acknowledgement:

I understand and agree that in order for AHH to provide home health services, I am responsible for:

1. Learning to manage my care independently or authorizing someone to learn on my behalf.
2. Providing accurate financial information (on an on-going basis) to assist in determining my eligibility for community resources and Charity Care. **Should my financial information prove inaccurate, my care will be billed retroactive for all services provided and for future care.**
3. Completing initial application processes for available community resources.
4. Continuing to follow up with community resources in a timely manner.
5. Agreeing to release information on Medicaid application to AHH.
6. Charity Care will not cover third party liability cases. If litigation is involved, I will be billed retroactive for the services that were provided for free and will be billed for all future services.

I accept responsibility for compliance with the above stated requirements and acknowledge that failure to comply could result in discharge from AHH. If I do not comply and AHH continues to support my care, this in no way affects the right of AHH to discharge me in the event of a subsequent failure on my part to comply with the terms of this agreement.

Date of Authorization

Signature of Patient

Witness/Relationship

Legal Representative if patient is unable to sign/Relationship to Patient

If patient signs by making an "X"

Witness/Relationship

NOTICE OF AVAILABILITY OF UNCOMPENSATED SERVICES

Adventist Home Health will make available a reasonable amount of health care without charge to persons eligible under Community Charity guidelines. Uncompensated services are available to patients whose family income does not exceed the limits designed by the Income Poverty Guidelines established by the Community Charity services. The current income requirements are the following.

If your income is not more than twice these amounts, you may qualify for uncompensated services.

2017 Poverty Guidelines

Family Unit Size	Income Guideline	Annual Income	Uncompensated Care Amount	Patient Responsibility Amount
1	100%	\$12,060	200% ALLOWANCE	0%
2	100%	\$16,240	200% ALLOWANCE	0%
3	100%	\$20,420	200% ALLOWANCE	0%
4	100%	\$24,600	200% ALLOWANCE	0%
5	100%	\$28,780	200% ALLOWANCE	0%
6	100%	\$32,960	200% ALLOWANCE	0%
7	100%	\$37,140	200% ALLOWANCE	0%
8	100%	\$41,320	200% ALLOWANCE	0%

If you feel you may be eligible for uncompensated services and wish to request them, please discuss with AHH Pre-Admission Nurse or call AHH 1-888-678-8969. A written determination of your eligibility will be made within thirty working days of your request.

Revised April 2017

ANNUAL INCOME THRESHOLDS BY SLIDING FEE DISCOUNT PAY CLASS AND PERCENT POVERTY							
Poverty Level	225%	250%	275%	300%	Above 300%		
Family Size	20% Pay	40% Pay	60% Pay	80% Pay	100% Pay		
1	\$36,180 - \$39,195	\$39,126 - \$42,210	\$42,211 - \$45,225	\$45,226 - \$48,640	\$48,641+		
2	\$48,720 - \$52,780	\$52,781 - \$56,840	\$56,841 - \$60,900	\$60,901 - \$64,960	\$64,961+		
3	\$61,260 - \$66,365	\$66,366 - \$71,470	\$71,471 - \$76,575	\$76,576 - \$81,680	\$81,681+		
4	\$73,800 - \$79,950	\$79,951 - \$86,100	\$86,101 - \$92,250	\$92,251 - \$98,400	\$98,400+		
5	\$86,340 - \$93,535	\$93,536 - \$100,730	\$100,731 - \$107,925	\$107,926 - \$115,120	\$115,121+		
6	\$98,880 - \$107,120	\$107,121 - \$115,360	\$115,361 - \$123,600	\$123,601 - \$131,840	\$131,841+		
7	\$111,420 - \$120,705	\$120,706 - \$129,990	\$129,991 - \$139,275	\$139,276 - \$148,560	\$148,561+		
8	\$123,960 - \$134,290	\$134,291 - \$144,620	\$144,621 - \$154,950	\$154,951 - \$165,280	\$165,281+		
For each additional person, add	\$13,585	\$14,630	\$15,675	\$16,720	\$16,720+		
Based on 2017 Poverty Guidelines							



2017 FEE SCHEDULE

Per Visit

Skilled Nursing	\$ 200
Physical Therapy	\$ 220
Occupational Therapy	\$ 220
Speech Therapy	\$ 220
Medical Social Worker	\$ 360
Home Health Aide	\$ 100


Exhibit 9
Affirmations

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.


Kerth D. Ballenger
Signature

June 7, 2017
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.



Signature



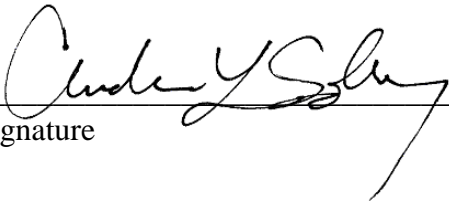
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.

Gregory C. Reed
Signature

6/7/16
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.



Signature

6/7/17

Date